

JUDSON H. HILL, ESQ.

April 29, 2019

BY ECFS

Marlene Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Sage Telecom Communications, LLC and Telscape Communications, Inc. d/b/a TruConnect; WC Docket Nos. 17-287, 11-42, 09-197, 18-213.

Dear Ms. Dortch:

On April 25 and 26, 2019 I, an advisor to Telscape Communications, Inc. d/b/a TruConnect and Sage Telecom Communications, LLC (collectively, (TruConnect)) met separately with Commissioner Michael O’Rielly and with Nicholas Degani, Senior Counsel to the Chairman, to discuss the FCC Order, Notice of Proposed Rulemaking and Notice of Inquiry released by the Commission on December 1, 2017¹ and Notice of Inquiry, released by the Federal Communications Commission on August 3, 2018, WC Docket No. 18-213.²

During each meeting I emphasized that TruConnect shared the FCC’s focus to root out any remaining waste, fraud and abuse in the Lifeline program to ensure that only people who are eligible will receive Lifeline services. Without this service, many low-income Americans including numerous elderly citizens and veterans would incur even greater challenges finding employment, accessing healthcare and reaching emergency first responders. I shared our appreciation as well as broad support within the Lifeline service provider community for the Commission’s work to improve the Lifeline eligibility National Verifier implementation. Before the verifier should continue to be rolled out, I emphasized that more work is needed to avoid harming the people it was intended to serve.

In addition, I discussed that the National Verifier’s roll-out has many challenges which if not corrected, will be expensive for the Universal Service Administrative Company (USAC) and may very likely contribute, not decrease, *increased* waste, fraud and abuse. Currently databases in many states are difficult to access, are sometimes unreliable, and the reality of the current enrollment process often requires multiple steps and multiple attempts necessitating engaging a sales agent when an agent is not always required. I emphasized that the system should implement application programming interface (API) connectivity to reduce program costs, avoid fraud and abuse, and to improve the enrollment process. Use of APIs would also enable the government to more accurately evaluate the status of current fraud and abuse in the program before making other program changes.

¹ See *Bridging the Digital Divide for Low-Income Consumers et al.*, WC Docket No. 17-287 et al. Fourth Report and Order, Order on Reconsideration, Memorandum Opinion and Order, Notice of Proposed Rulemaking, and Notice of Inquiry, FCC 17-155 (Nov. 16, 2017); see Notice of Inquiry, released by the Federal Communications Commission on August 3, 2018, WC Docket No. 18-213.

² See Ex Parte filing from Counsel to Q Link Wireless, LLC, WC Docket No. 17-287, WC Docket No. 11-42 and WC Docket No. 09-197 filed May 25, 2018 and supplemented May 31, 2018.

We also discussed USAC's recently added requirement that potential customers during registration must show proof of the issuance or expiration dates of their eligibility for other government benefits such as Medicaid and the Supplemental Nutrition Assistance program (SNAP). It is impactable, sometimes near impossible, to satisfy this requirement since the majority of government program cards do not include dates. An ETC's failure to confirm Lifeline eligibility does not mean the prospective participant or the ETC is committing fraud. Other possibilities exist such as a flawed, unperfected and unduly cumbersome enrollment and verification process, or insufficient access to a government database to determine eligibility. Rather than continue to depend on a flawed process, several viable solutions exist. For example, USAC could require the applicant to present secondary evidence of the current enrollment in an eligible government program by producing a purchase receipt of goods or services with the same SNAP card within the past 15 or 30 days. For these reasons, the National Verifier should not be launched in more states without first providing National Verifier access to both the states' Medicaid and SNAP databases.

I emphasized that many otherwise eligible people are sometimes unable to register for Lifeline because they find the new verification process too challenging. Consequently, they lack access to a good or better job, or access to emergency and healthcare services. Fewer new enrollments or verification does not necessary save money. In the short-term it may save USF dollars, however, the federal and states' budgets suffer the cost through higher un-employment, under-employment and a less healthy and safe citizenry.

Therefore, in the meantime until the recommended improvements are made, I asked the FCC to freeze the continued National Verifier rollout in additional states.

Next I shared that implementation of a 60-day port-freeze will help make eligibility confirmations more accurate and reliable. A port freeze will effectively reduce a large percentage of waste, fraud and abuse since frequent switching, or churning may actually "encourage" or even enable fraud. Otherwise, there is no benefit to frequently switch Lifeline carriers. Perhaps long-term service contracts could be required to keep customers; however, the typical Lifeline eligible customer is someone who is very difficult to collect from or to pursue to enforce a breach of contract. Recognizing that the FCC does not hear very much about the port freeze, I further emphasized that regulatory certainty and reduced subscriber churning will help the FCC achieve some of their stated objectives, e.g. advancing telemedicine and improving rural access to better communications. A port freeze provides stability and economic certainty for ETCs. The Commission initiatives can be advanced by ETC's with program certainty. With long-term program certainty many ETCs will readily expand their offerings across America and will include innovative add-on healthcare and job search application technologies to their Lifeline devices.

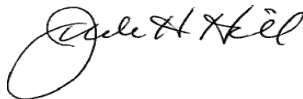
Next, I reminded that initially under the Wheeler Chairmanship minimum standard requirements went hand in hand with a one-year port freeze, however, when the port freeze requirement was lifted the increase minimum standards mandate was not eliminated or even frozen. Since then the data requirements continue to be increased as ordered in 2016. On December 1, 2019 the mobile broadband minimum requirements are scheduled to rise again now from the current 2 GB to 9.75 GB of data. The additional data will force ETC's to transfer an estimated \$30 per month price increase on to each Lifeline subscriber. While a few Lifeline subscribers may be able to separately pay for the additional data, it will not be an option, but a mandate for all ETCs.

Unlike the old wireline Lifeline program which typically included one fixed line into a home served by an inexpensive telephone device, today access to world class telecommunications to access jobs, education, healthcare and emergency services is much more costly. For public policy reasons the FCC is set to escalate the minimum data standards to 9.75 GB. Increased data service and the devices to support it are very expensive. It is very difficult to compare to wireline service of old to today's new devices, infrastructure and extensive service offerings. Therefore, I asked that the FCC to at least freeze the coming escalation in minimum service standards until well after the National Verifier is improved, the necessary state databases are accessible, and until the Lifeline program changes and improvements can be reassessed. There should then be a new determination of both the need and demand for increased data, the economics, and viable solutions to pay more it. The current minimum standard mandates will likely collapse the program with attendant consequences for subscribers, states and the federal government.

I concluded our conversations expressing a desire to actively and constructively participate in the Lifeline rulemaking to help the Commission achieve their stated objectives.

Pursuant to section 1.1206(b) of the Commission's rules, this letter is being filed electronically.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Judson H. Hill". The signature is fluid and cursive, with a large loop at the beginning.

Judson H. Hill, Esq.

Judson@judsonhill.com

cc: Commissioner Michael O'Rielly
Nicholas Degani, Esq.